Cut in due rate of interest on provident fund

2042. SHRI J. CHITHARANJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to cut the rate of interest on Provident Fund from 12 to 10 per cent; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :(a) and (b) As of now, no such proposal is under consideration of the Government.

Free hand to the FIs to divest their stakes in companies

2043. SHRI J CHITHARANJAN:
SHRI JALALUDIN ANSARI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government had decided not to interfere with any decision of the financial institutions to divest stake in any company in the open market; and

(b) if so, the details thereof and the reasons therefor?

(a) the names of five largest Residuary Non-Banking Companies in the Country;

(b) the number of occasions when the Reserve Bank of India had issued directives against them during the last five years pursuant to structures in the court or otherwise together with directives issued, structures passed and the name of the concerned company; and

(c) the follow-up action taken against the errant company from time to time during the last five years together with the results thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :(a) As reported by Reserve Bank of India, five largest Residuary Non-Banking Companies in the country are:

(i) The Peerless General Finance and Investment Co. Ltd. Calcutta

(ii) Satiara India Financial Corporation Ltd. Lucknow

(iii) Sanchayani Savings and Investment (I) Ltd, Calcutta

(iv) Samruddhi Savings and Investment Co. Ltd, Raipur

(v) Janapriya Finance and Industries Investment (I) Ltd. Calcutta, (b) and (c) According to information made available by Reserve Bank of India (RBI), directives have been issued to Peerless General Finance & Investment Company Ltd. to recognize the amount of service charges earlier being taken to profit and loss account and disclose this amount as an actual liability to the depositors, and disclose a true and fair state of its financial health in its balance sheet, and to make its NOF positive, not to make investments, without the prior approval of RBI, in the securities in the category of other investment until the NOF becomes positive, etc. Prohibitive orders have been issued against Sanchayani Savings & Investments (I) Ltd. Calcutta, Samruddhi Savings & Investments Co. Ltd., Raipur and Janapriya Finance & Industries Investment (I) Ltd., Calcutta. Supervisory advice was issued to Sahara India Financial Corporation Ltd. Lucknow to take certain steps to ensure that the company has adequate managerial skills commensurate with the size of its operations. RBI also rejected the application for certificate of Registration Filed by Samruddhi Savings & Investment (I) Ltd., and Janapriya finance & Industries Investment (I) Ltd. The compliance of the above directives, orders and advices is monitored by RBI as a part of its supervisory process.

CAG's objections to special waiver of loans to Punjab Government

2044. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Comptroller and Auditor Generalof India (CAG) has in a report indicted the special waiver of term loans and interests given to Punjab Government.

(b) if so, the details of the objections raised by the CAG with regard to the waiver;

(c) the circumstances in which the waiver was made and the authority which ordered the same; and

(d) what action is proposed to be taken to meet the objection of the CAG?